

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD OF PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO,
et al.,

Debtors.

PROMESA
Title III

No. 17 BK 3283-LTS
(Jointly Administered)

Related to Debtor Commonwealth
Only (Case No. 17 BK 3283-LTS)

**VERIFIED STATEMENT OF THE QTCB NOTEHOLDER GROUP
PURSUANT TO BANKRUPTCY RULE 2019**

Pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), made applicable to this Title III case by Section 310 of the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”), 48 U.S.C. § 2170, and in accordance with the *Order Regarding the Applicability of F.R.B.P. 2019 to the Title III Cases and a Further Proposed Amendment to the Case Management Order* entered by the Court on July 26, 2017 [Docket No. 754], this verified statement (this “Statement”) is submitted by an ad hoc group of holders (the “QTCB Noteholder Group”) ¹ of those certain Qualified School Construction Bonds and Qualified Zone Academy Bonds issued by the Puerto Rico Public Buildings Authority (“PBA”) and guaranteed by the Commonwealth of Puerto Rico (the “Commonwealth”) (collectively, the “QTCBs” and, together with all other bonds issued or guaranteed by the Commonwealth the “General Obligation Bonds”).

In support of this Statement, the QTCB Noteholder Group respectfully states as follows:

¹ The QTCB Noteholder Group shall have the same meaning as set forth in Notice of Appearance and Request for Notice [ECF No. 134].

1. In or around August 2015, certain members of the QTCB Noteholder Group engaged Bracewell LLP (“Bracewell”) to represent their interests as holders of QTCBs. From time to time thereafter, certain additional holders of QTCBs have joined the QTCB Noteholder Group. In May 2017, the QTCB Noteholder Group retained Correa-Acevedo & Abesada Law Offices, P.S.C. as its Puerto Rico counsel (together with Bracewell, “Counsel”).

2. As of the date of this Statement, Counsel represents only the QTCB Noteholder Group and does not represent or purport to represent any other entities other than the QTCB Noteholder Group with respect to the Debtor’s Title III case. In addition, neither the QTCB Noteholder Group nor any member of the QTCB Noteholder Group (a) assumes any fiduciary or other duties to any other creditor or person and (b) does not purport to act, represent or speak on behalf of any other entities in connection with the Debtors’ Title III cases.

3. To date, the QTCB Noteholder Group has only taken a position in the Commonwealth Title III case. The members of the QTCB Noteholder Group hold disclosable economic interests, or act as investment advisors or managers to funds, entities and/or accounts or their respective subsidiaries that hold disclosable economic interests in relation to the Debtor. In accordance with Bankruptcy Rule 2019 and based upon information provided to Counsel by each member of the QTCB Noteholder Group, attached hereto as Exhibit A is a list of the names, addresses, and nature and amount of each disclosable economic interest of each current member of the QTCB Noteholder Group.

4. Nothing contained in this Statement (or Exhibit A hereto) is intended to or should be construed as (a) a limitation upon, or waiver of any right to assert, file and/or amend its claims in accordance with applicable law and any orders entered in this or any other related Title III cases by any QTCB Noteholder Group member, its affiliates or any other entity, or (b) an

admission with respect to any fact or legal theory.

5. Additional holders of QTCBs may become members of the QTCB Noteholder Group, and certain members of the QTCB Noteholder Group may cease to be members in the future. The QTCB Noteholder Group, through its undersigned Counsel, reserves the right to amend or supplement this Statement as necessary for that or any other reason in accordance with the requirements set forth in Bankruptcy Rule 2019.

6. The undersigned verify that the foregoing is true and correct to the best of their knowledge.

[Remainder of Page Intentionally Blank; Signatures Follow]

Dated: August 16, 2017

BRACEWELL LLP

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Counsel to the QTCB Noteholder Group

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*Puerto Rico Counsel to the QTCB Noteholder
Group*

Exhibit A

Names, Addresses and Disclosable Economic Interests of the Members of the QTCB Noteholder Group¹

NAME²	ADDRESS	NATURE AND AMOUNT OF DISCLOSABLE ECONOMIC INTEREST
Canyon Capital Advisors LLC (on behalf of its participating clients)	2000 Avenue of the Stars 11 th Floor Los Angeles, CA 90067	<u>General Obligation Bonds</u> Uninsured: \$311,357,895 Insured: \$10,433,800
Davidson Kempner Capital Management LP, as investment advisor to its affiliated funds	520 Madison Avenue 30 th Floor New York, NY 10022	<u>General Obligation Bonds</u> Uninsured: \$116,648,000 Insured: none
OZ Management LP (on behalf of certain of its funds)	9 West 57 th Street 39 th Floor New York, NY 10019	<u>General Obligation Bonds</u> Uninsured: \$204,510,400 Insured: none
OZ Management II LP (on behalf of certain of its funds)	9 West 57 th Street 39 th Floor New York, NY 10019	<u>General Obligation Bonds</u> Uninsured: \$47,965,600 Insured: none

¹ To the best of Counsel's knowledge, the information included herein is accurate as of August 9, 2017. The amounts set forth herein include only outstanding principal and do not include any other amounts that may be due and owing under the applicable debt documents and laws, including but not limited to any overdue or compounded interest. In addition, the amounts set forth herein do not include any disclosable economic interests that are subject to pending trades or other transfers that have not settled or otherwise been closed as of August 9, 2017.

² Each entity on this Exhibit A holds disclosable economic interests, or acts as investment advisor or manager to funds, entities and/or accounts or their respective subsidiaries that hold disclosable economic interests, in relation to the Commonwealth of Puerto Rico (the "Commonwealth").